VZCZCXRO0701 RR RUEHAG RUEHDF RUEHIK RUEHLZ RUEHROV RUEHSR DE RUEHTC #1037 3541106 ZNR UUUUU ZZH R 191106Z DEC 08 FM AMEMBASSY THE HAGUE TO RUEHC/SECSTATE WASHDC 2359 INFO RUCNMEM/EU MEMBER STATES COLLECTIVE RUEHMU/AMEMBASSY MANAGUA 0127 RUEHOT/AMEMBASSY OTTAWA 5227 RUEHRK/AMEMBASSY REYKJAVIK 0043 RUEHUL/AMEMBASSY SEOUL 1414 RUEHKO/AMEMBASSY TOKYO 1816 RUEHRN/USMISSION UN ROME RUEHGV/USMISSION GENEVA 1419 RUCNDT/USMISSION USUN NEW YORK 4511

UNCLAS THE HAGUE 001037

SIPDIS

E.O. 12958: N/A

TAGS: EAID PGOV PREL NL NU

SUBJECT: NETHERLANDS/NICARAGUA: SUSPENDING BUDGET ASSISTANCE

REF: A. SECSTATE 132044 ¶B. THE HAGUE 974

¶C. FALLS-KRAAIMORE EMAIL 12-18-08

Embassy delivered ref A points to the Dutch Foreign Ministry. On December 18, Minister for Development Cooperation Koenders issued a press release that he was suspending budget support to Nicaragua. "I find it irresponsible to give direct help to the Sandinista government, which has thwarted free and fair elections in all possible manners." (Note: Koenders had expressed concern to Nicaraguan Foreign Minister Santos in summer 2008 about the Supreme Electoral Council's decision to bar two opposition parties from participating in elections. End Note.) MFA Deputy for Central American Affairs Laetitia van Asch Pieters told poloff the suspension applied to 2009 budget support, in the amount 6 million euros (approx. \$8.6 million). Half of the Netherlands' 2008 budget support, also 6 million euros, had previously been canceled (ref B). The Dutch ambassador in Managua has informed the Nicaraguan government of this latest decision. Dutch foreign assistance for other activities -- including 12.5 million euros (approx. \$17.8 million) for health, education and business improvement -- will continue. Koenders has raised objections to the Nicaraguan government's ban on abortion on medical grounds; the Dutch government is, therefore, supporting programs on sexual and reproductive health rights as part of its health assistance. Van Asch Pieters noted the EU has also canceled budgetary assistance to Nicaragua, and had so informed Nicaragua's vice minister for development cooperation on December 12. She asked for further information on benchmarks the USG will use to resume aid (ref C).

CULBERTSON